

Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 XMB-07 OPIC-12 AEC-11 AID-20 CEA-02

CIAE-00 CIEP-02 DODE-00 EB-11 FPC-01 H-03 INR-11

INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SP-03 SS-20 STR-08 TRSE-00 FRB-03 FEA-02 DRC-01

/177 W

----- 078612

R 191650Z JUL 74

FM AMCONSUL ZAGREB

TO SECSTATE WASHDC 2580

USDOC WASHDC

INFO AMEMBASSY BELGRADE

AMEMBASSY MOSCOW

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DEPARTMENT PASS EXIM BANK

E.O. 11652: N/A

TAGS: PFOR, ENRG, YO, UR

SUBJECT: KRSKO NUCLEAR POWER PROJECT

REF: (A) BELGRADE 3424; (B) ZAGREB 0071; (C) ZAGREB A-84, 12/12/73;
(D) STATE 155549

SUMMARY: YUGOSLAV DELEGATION PROCEEDING WASHINGTON JULY 22 FOR
SIGNATURE AGREEMENT ON EXIM PORTION KRSKO FINANCING. YUGOSLAV
SOURCES OPTIMISTIC REGARDING AGREEMENT DURING FIRST PART
AUGUST ON EURODOLLAR PORTION FINANCING, BUT AMERICAN SOURCE
MORE CAUTIOUS THIS REGARD. AMERICAN SOURCE ALSO REPORTS
SUBSTANTIAL SOVIET PARTICIPATION IN EURODOLLAR FINANCING.
SENIORS IN SLOVENIA EAGER GET ON WITH WESTINGHOUSE CONSTRUCTION
KRSKO, BUT CONTINUE EMPHASIZE IMPORTANCE ATTACHED TO ROBE
YUGOSLAV ENTERPRISES IN DIRECT SUPPLY EQUIPMENT FOR KRSKO
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AND TO OTHER OFFSETS IN FORM EXPORT ORDERS FOR YUGOSLAV GOODS.

FLUOR UTAH, INC. EVIDENTLY WELL IN RUNNING FOR GORENJE VAS
URANIUM CONCENTRATOR CONTRACT. END SUMMARY

1. DELEGATION INCLUDING TONE TRIBUSON, GENERAL DIRECTOR,
BUSINESS ASSOCIATION ELECTRIC POWER ENTERPRISES OF SLOVENIA;
IVAN MEDVEDEC, ACTING DIRECTOR, ELECTROPRIVREDA, ZAGREB
(CROATIA'S KRSKO INVESTOR); AND JURAJ VRGOLJAN, ACTING DIRECTOR,
SAVSKE ELEKTRARNE, LJUBLJANA (SLOVENIA'S KRSKO INVESTOR)
DEPARTING FOR WASHINGTON, JULY 22, CONNECTION SIGNATURE AGREE-
MENT WITH EXIM ON KRSKO FINANCING.

2. ACCORDING JANEZ DULAR, DIRECTOR KRSKO PROJECT, AGREEMENT
RE EURODOLLAR PORTION KRSKO FINANCING TO BE SIGNED DUBROVNIK,
AUGUST 9. HOWEVER, DAVE GOODMAN OF FLUOR UTAH, INC'S LONDON
OFFICE WHO IN TOUCH WITH CITICORP'S LONDON OFFICE RE KRSKO
EURODOLLAR FINANCING SUGGESTS SOMEWHAT MORE TIME MAY BE
REQUIRED COMPLETE THIS PORTION FINANCING. GOODMAN REPORTS
MOSCOW'S NARODNA BANK TO PARTICIPATE TO EXTENT
\$30 MILLION OF APPROXIMATELY \$215 MILLION EURODOLLAR TOTAL.
GOODMAN OPTIMISTIC THAT FLUOR WELL IN RUNNING GET GORENJE
VAS URANIUM CONCENTRATOR CONTRACT FROM SLOVENIA'S GEOLOSKI
ZAVOD. HE REPORTS WESTINGHOUSE BARGAINING OVER PRICE KRSKO
FUEL LOAD IN TERMS COMPENSATION IN YELLOW-CAKE FROM GORENJA
VAS MINE. WESTINGHOUSE REPORTEDLY ASKING INTEREST ON FUEL
LOAD AT EQUIVALENT PRIME RATE PLUS TWO-PER-CENT PREMIUM.

3. TRIBUSON, VRGOLJAN (PARA 1 ABOVE), AND SLOVENIAN EXECUTIVE
COUNCIL MEMBER MILOS SULIN (REF C) IN GROUP STRESSED TO ME ON
JULY 9 AT OUR INDEPENDENCE DAY RECEPTION IN LJUBLJANA THEIR
EAGERNESS HAVE WESTINGHOUSE GET ON WITH KRSKO CONSTRUCTION.
THEY SEEMED CONFIDENT THAT EURODOLLAR FINANCING WOULD BE RESOLVED
SOON, BUT CONTINUED STRESS SIGNIFICANCE ATTACHED "COOPERATIVE
PRODUCTION" ASPECTS KRSKO PACKAGE INCLUDING DIRECT SUPPLY BY
YUGOSLAV ENTERPRISES OF EQUIPMENT FOR KRSKO AND FURTHER OFFSETS
IN FORM EXPORTS PRODUCTS YUGOSLAVIA'S MACHINE TOOL AND ELECTRICAL
INDUSTRIES (REFS A, B, C, D).

4. DULAR STATES DENNETT AND PARSONS OF WESTINGHOUSE ARRIVING
YUGOSLAVIA JULY 22, TO DISCUSS YUGOSLAV PARTICIPATION IN
CIVIL ENGINEERING ASPECTS KRSKO PROJECT. DULAR STRESSES WORK
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MUST BEGIN EVEN IF FORMAL SIGNATURE KRSKO CONTRACT DELAYED
UNTIL SEPTEMBER.
WILSON

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Message Attributes

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30 JUN 2005

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